

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

GENERAL ADJUSTMENT OF ELECTRIC)
RATES OF KENTUCKY UTILITIES) CASE NO. 8177
COMPANY)

O R D E R

IT IS ORDERED that Kentucky Utilities Company shall file an original and five copies of the following information with the Commission, with a copy to all parties of record, by May 29, 1981.

1. Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and the preceding five calendar years. Include the percentage annual increase and the effective date of each increase.
2. Provide an analysis of the Company's expenses for research and development activities for the test year and the five preceding calendar years. For the test year include the following details:
 - a. Basis of fees paid to research organizations and the Company's portion of the total revenue of each organization. Where the contribution is monthly, provide the current rate and the effective date.
 - b. Details of the research activities conducted by each organization.

- c. Details of services and other benefits provided to the company by each organization during the test year and the calendar year 1979.
 - D. Total expenditures of each organization during 1980 including the basic nature of costs incurred by the organization.
- 3. Did any organization listed in item 2 make any direct or indirect payments for political purposes or lobbying activities during the test year or any of the five preceding calendar years? If so provide the following:
 - a. Amount of payment
 - b. Person or organization receiving payments
 - c. Portion of the Company's contribution allocated to these payments. (Provide calculations in support of this determination.)
- 4. Did any organization listed in item 2 incur expenses for advertising within the definition provided in 807 KAR 5:016E? If so, provide the following:
 - a. A breakdown of the total cost into these categories: sales or promotional, institutional, conservation and other.
 - b. Forms of media used.
 - c. Portion of the Company's contribution allocated to these costs. (Provide calculations in support of this determination.)
 - d. Details of expected benefits to the Company.

5. Provide the total Company and Kentucky jurisdictional capital structure, including the embedded cost of each component, as set out in Newton Exhibit 2, page 1 for the first quarter of 1981. Provide June 30, 1981, data as soon as it becomes available.
6. Provide all work papers used to arrive at the total Company and Kentucky jurisdictional capitalization, rate base, and operating statement for the period ending September 30, 1982. Explain all components used in each calculation along with a complete detailed explanation of all assumptions used in determining these projections.
7. Provide a detailed analysis of all costs incurred during the test year for activities relating to requirements under the Public Utility Regulatory Policies Act. State whether any of these costs will be incurred on an ongoing basis.
8. Provide a detailed analysis of the cost incurred by the Company for this rate case and each of the two previous rate cases.
9. Provide details of the regulatory commission expenses of \$521,918 per Davis Exhibit 1, page 11 for the test year. The analysis should show the date, vendor, dollar amount and a brief description of each expenditure. Each expense should be catagorized according to the related regulatory proceeding.
10. Provide an analysis of the total expenditures during the test year for outside professional and other consultative

services. Include the person or organization rendering services, a detailed description of services received, the basis of the charges, the total charge and the amount charged to each account.

11. With reference to Davis Exhibit 1, pages 8-11 provide an explanation of the increases and decreases of expenses over the prior year in the following accounts:

- a. 511 Maintenance of structures
- b. 512 Maintenance of boiler plant
- c. 513 Maintenance of electric plant
- d. 539 Miscellaneous hydraulic power generation
- e. 543 Maintenance of reservoirs, dams and waterways
- f. 544 Maintenance of miscellaneous hydraulic plant
- g. 553 Maintenance of generating and electric plant
- h. 555 Purchased power
- i. 562 Station expenses
- j. 563 Overhead line expenses
- k. 567 Rents
- l. 571 Maintenance of overhead lines
- m. 583 Overhead line expenses
- n. 586 Meter expenses
- o. 593 Maintenance of overhead lines
- p. 916 Miscellaneous sales expenses
- q. 921 Office supplies and expenses
- r. 923 Outside services employed
- s. 926 Employee pensions and benefits
- t. 928 Regulatory commission expenses

- Done at Frankfort, Kentucky, this 15th day of May, 1981.

Marlin M. Voh
Chairman

Commissioner

Secretary